

# Mayor's Commission on Poverty Reduction

## Neighborhood Revitalization and Support Work-group

December 2013

# Agenda

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- Workgroup Charge
- State of Poverty in Norfolk
  - Assisted Housing Population- location, demographics, future outlook
- Strategies to Combat Poverty in Norfolk Now
  - Neighbors Building Neighborhoods Program
- Best Practices from around the Country
  - Community Revitalization Models
  - Housing Trust Fund

# Neighborhood Revitalization and Support Workgroup

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## Charge:

To provide fellow commissioners with recommendations for reducing the number of residents in poverty through **a comprehensive approach of stabilizing stressed neighborhoods, providing quality affordable housing options, and deconcentrating clusters of poverty**- all while drawing upon best practices, neighborhood assets, and ongoing place-based initiatives.



Shurl R. Montgomery  
Chief Executive Officer

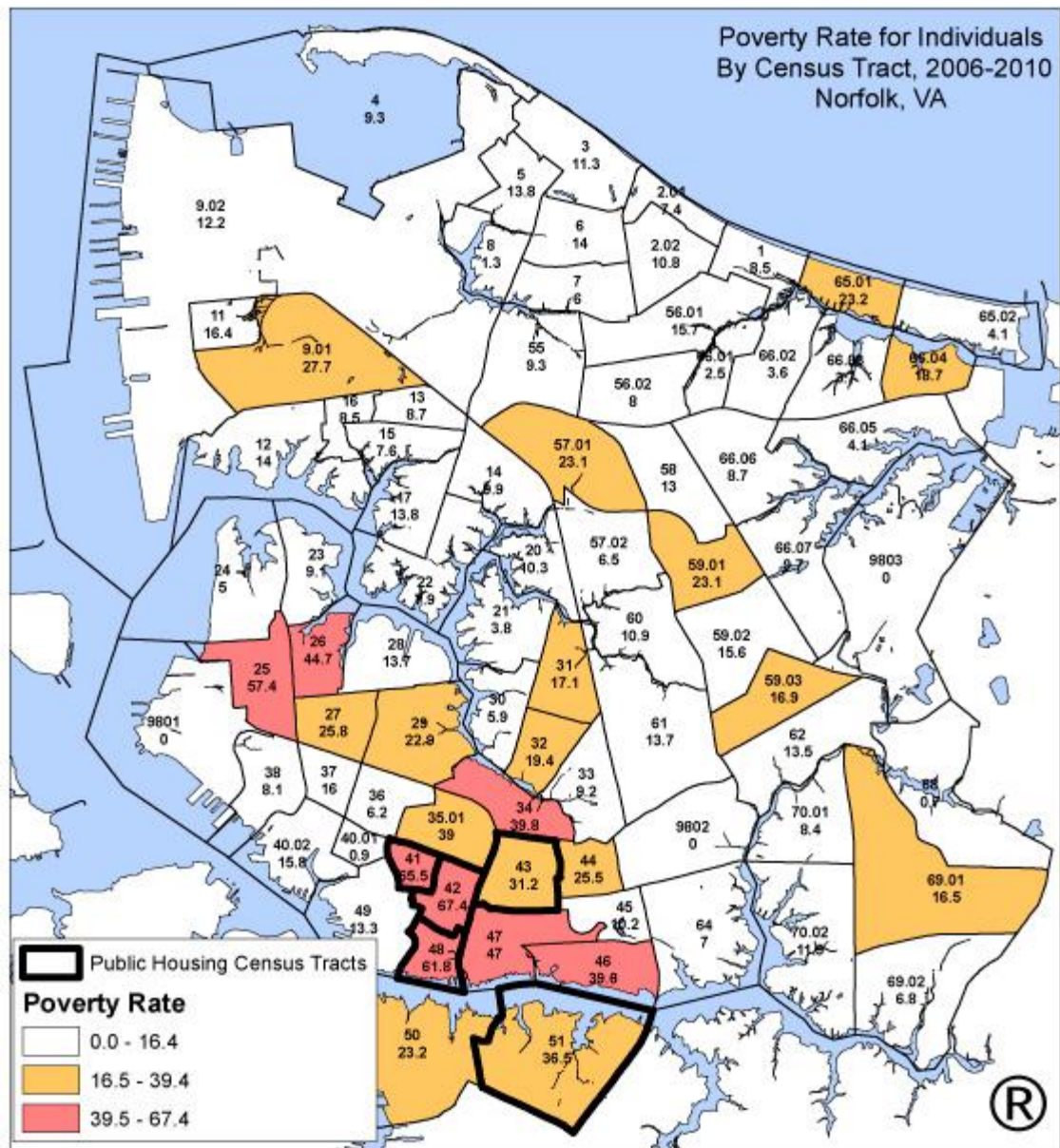






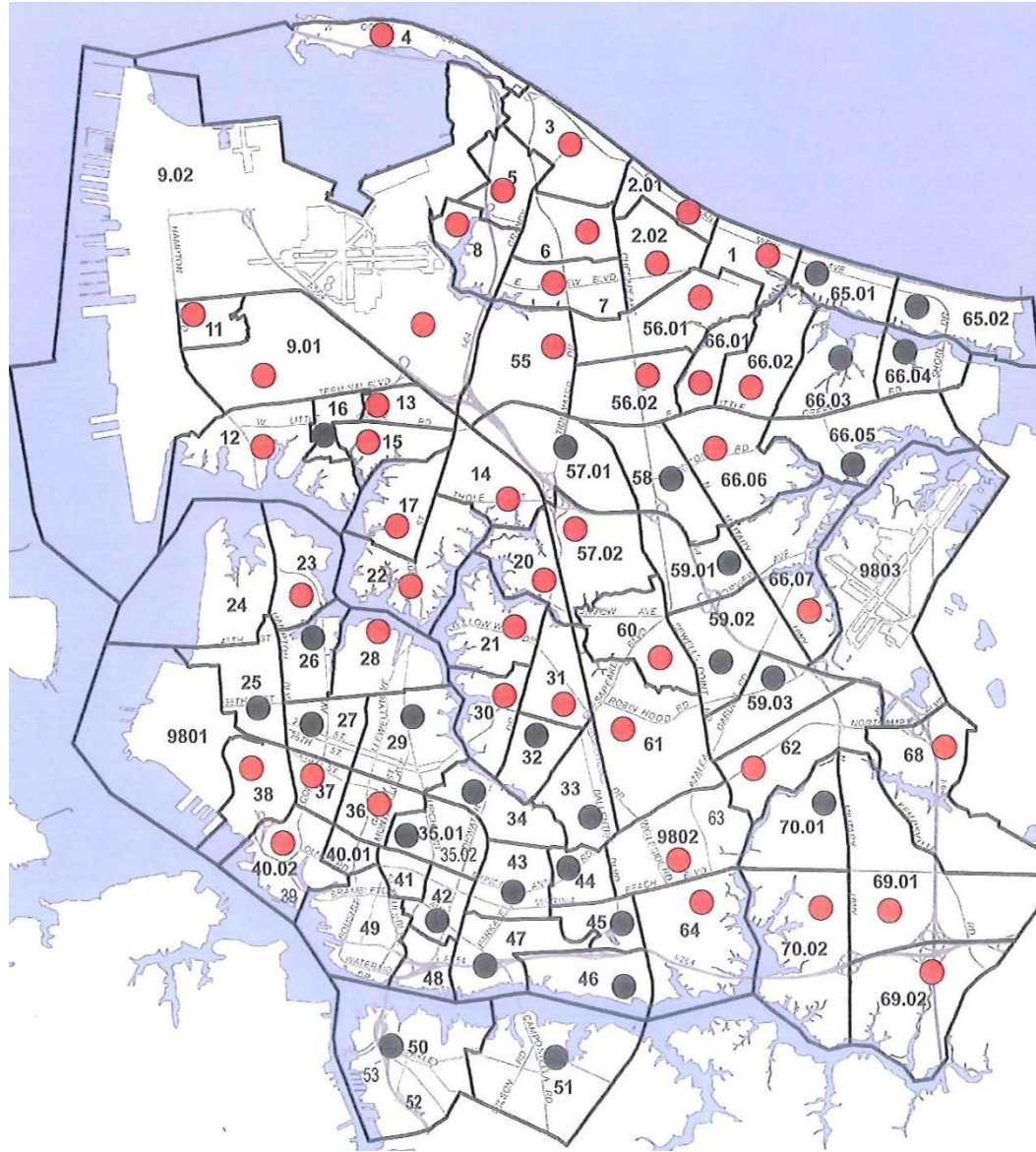
The concentrations of poverty (in red) are aligned with our six public housing communities (outlined in black):

- ✓ Tidewater Gardens
- ✓ Calvert Square
- ✓ Diggs Town
- ✓ Grandy Village
- ✓ Oakleaf Forest
- ✓ Young Terrace



# Distribution of Housing Choice Vouchers – 2,737 among 79 census tracts

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*Blue: High Poverty  
Red: Low Poverty*



# Public Housing Community Information

Community	Year First Occupied	Dwelling Units	Total Residents	Occupancy %
Tidewater Gardens	1955	618	1,637	99.78
Diggs Town	1952	422	1,209	99.37
Young Terrace	1953	746	1,793	99.91
Calvert Square	1957	310	772	99.46
Oakleaf Forest	1942	257	818	99.35
Partrea Apartments	1979	114	120	99.71
Hunter Square	1978	91	98	100.00
Bobbitt Apartments	1980	84	89	99.21
Sykes Apartments	1980	84	89	99.66
North Wellington	1988	25	95	100.00
Scattered Sites	1993	15	41	100.00
Franklin Arms	2003	100	109	100.00
Grandy Village	1953	363	1,011	99.15
Broad Creek	2006	254	690	98.12
Totals		3,483	8,571	99.86

# Total Assisted Population - Norfolk

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Type of Assistance	Total Units	Total Residents
Public Housing	3,483	8,571
Housing Choice Vouchers	2,737	6,733
Project Based Rental Assistance - NRHA	81	199
<b>Subtotal - NRHA</b>	<b>6,301</b>	<b>15,503</b>
Project Based Rental Assistance – Privately Owned	1,500	3,690
<b>Totals</b>	<b>7,801</b>	<b>19,193</b>

- Assisted Rental Resources in Norfolk now serve 41% of households with extremely low incomes

# Assisted Housing Regionally

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City	Public Housing Units	Housing Choice Vouchers
Norfolk	3,483	2,737
Chesapeake	467	1,248
Portsmouth	1,022	1,502
Virginia Beach	0	1,988
Hampton	538	2,552
Newport News	1,817	1,334
Suffolk	466	602
<b>Totals</b>	<b>7,793</b>	<b>11,963</b>

# Norfolk Public Housing Average Tenant Tenure

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Time Length Years	Total Families	% of Households	Cumulative %
Current Yr	443	13%	13%
1+ to 2 Years	365	11%	24%
2+ to 5	674	20%	44%
5+ to 10	778	23%	67%
10+ to 20	608	17%	84%
Over 20	586	16%	100%
TOTAL Households	3,454 (Occupied)	100%	100%



# Example: St. Pauls - Tidewater Gardens/Young Terrace/Calvert Square

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- Concentration of poverty
- Barracks style buildings are obsolete and outdated
- Public housing is being phased out by federal government
- Adjoining property owned by city and federal government is a plus for redevelopment
- Downtown would almost double in size if St. Pauls area was redeveloped

# Tidewater Gardens/Young Terrace/Calvert Square



# Percentage of St. Pauls Area Households Below Poverty Level

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Census Tract	% Households
35.01-Huntersville	34.8
41-Young Terrace	72.0
42-Calvert Square	67.7
48-Tidewater Gardens	70.6

*\*Source: American Community Survey*



# Age Groups by % for Tidewater Gardens and City

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Age	Tidewater Gardens %	City of Norfolk %
Under 18 Years	52.2	25.3
18 to 64	42.9	65.3
65 years and older	4.9	9.4
TOTAL	100	100



# Mayor's Task Force on Public Housing 1995

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- Vision
  - Private Housing
  - Diverse Population
  - Transitional Housing
  - Self Sufficiency

# Constraints on vision to be realized

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- Funding
- NIMBY
- Fractured Support Systems

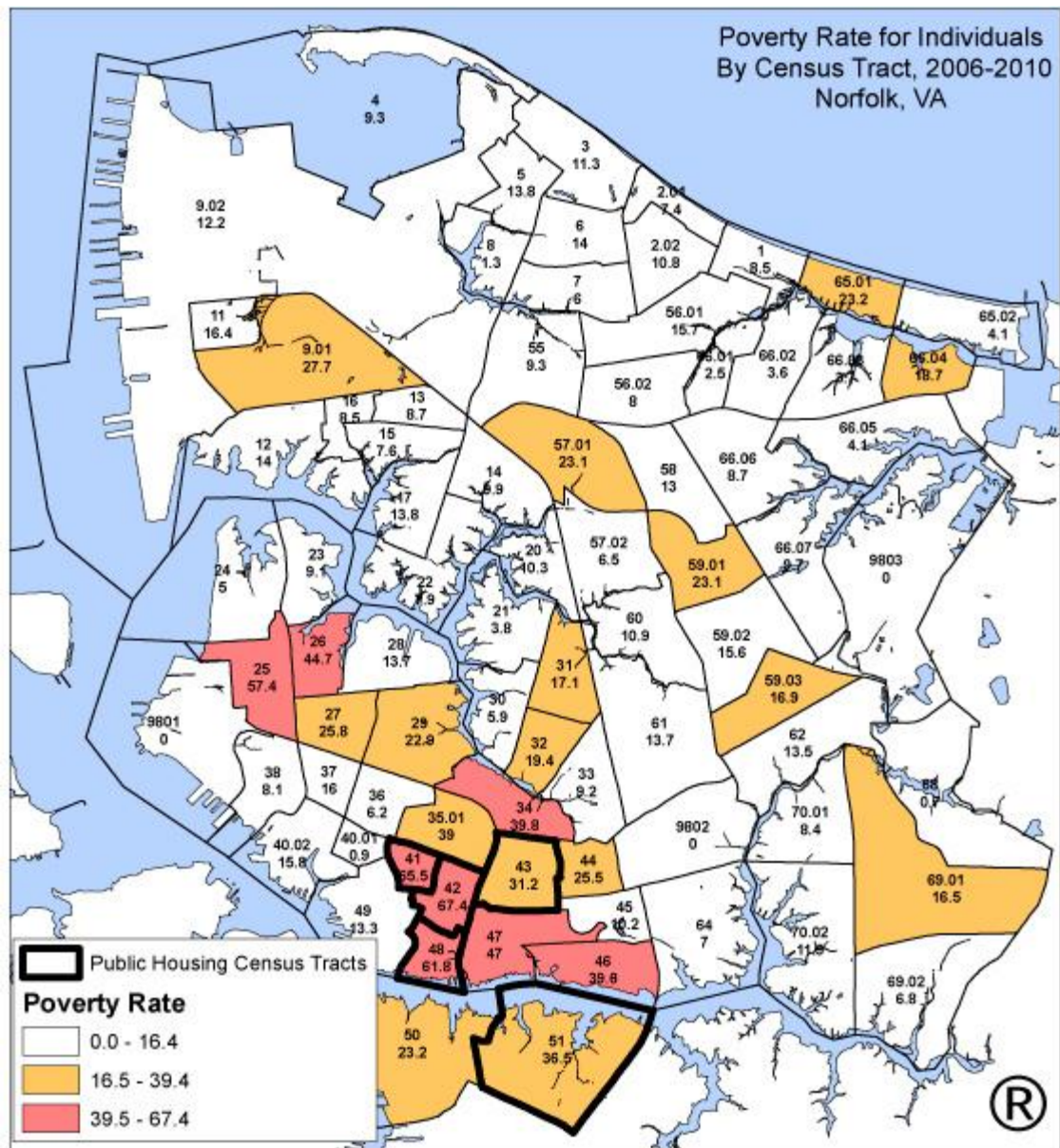
# Public Housing Population Outlook

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- Senior and Disabled
  - Mid-rise units
  - Role of NRHA will continue
- Ready for Transition to Voucher Programs
  - Choice
  - Need more support for private partners in housing market
  - QAA - Quality, Affordable, Accountable
- Hard to Serve
  - Supportive service delivery is currently fractured
  - New comprehensive effort for these systems

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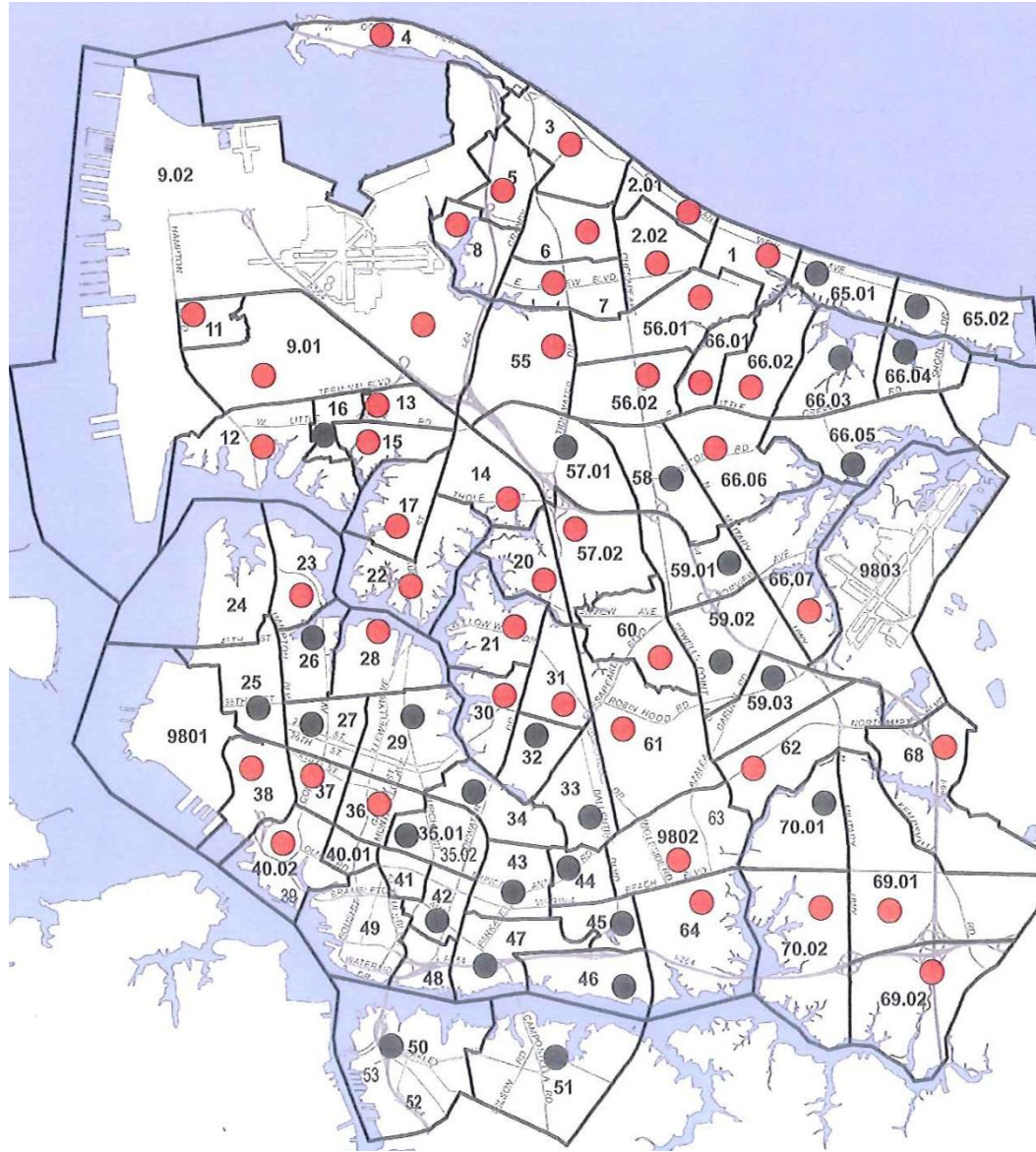
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# The Keys to Change

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- Public housing is an outdated concept and is on its way out.
- The new direction is to provide choice through voucher programs.
- Housing choice is enhanced by support for new private quality rental housing.
- Improving the self sufficiency of families will require the supportive services delivery system to be restructured.

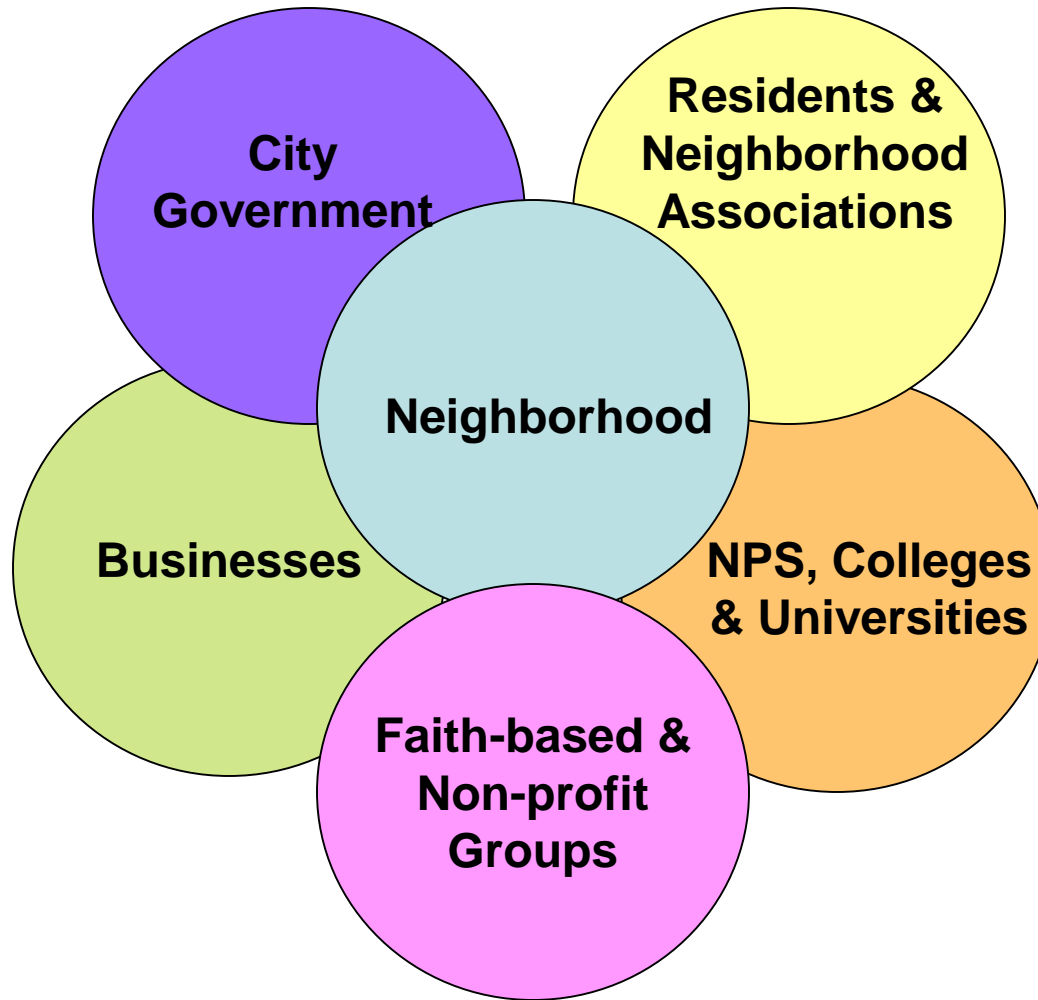
# What we need to realize the vision

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- Create regional partnerships
  - Private sector
  - Non-Profits
  - Housing Authorities
  - City, State and Federal Government



# Neighbors Building Neighborhoods





# What is the Next Generation of Community Revitalization?

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## **Whole Scale Neighborhood Transformation that includes:**

- **Cross sector participation-** government, philanthropic, private sector
- **Comprehensive solutions-** linking housing, education, workforce development, transportation, health issues
- **Strong resident engagement**
- **Innovative financing-** stacking capital with a mixture of grants, below market rate loans, and commercial debt

# Next Generation Community Revitalization Models

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## **Two Promising Examples:**

- Purpose Built Communities
- Integration Initiative

# Purpose Built Communities

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## Overview

- Atlanta based foundation started in 1995, PBC model adopted in 2009
- Revitalized a distressed public housing complex
- 3 areas of focus (all driven by a committed local nonprofit lead organization):
  1. quality mixed-income housing,
  2. cradle-to-college education pipeline, and
  3. community wellness programs,

## Funding

- Leveraged funding streams like Low Income Tax Credits, Hope VI, and Section 8
- PBC established a \$15 million pilot fund 'Stimulus Funds', to provide low interest loans and small matching grants from 2011-2013

# PBC Success Stories

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## In 1995

- 40% of the public housing units were unlivable
- Crime rate was 18 times the National Average
- Employment rate was 13%

## Today

- 100% high quality units
- Violent crime down by 90%
- Crime rate 50% lower than the rest of the city
- 70% employment rate for adults who receive public housing assistance
- Graduation rates for neighborhood students increased to 78%, up from less than 30%

# Integration Initiative

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## Overview

- A key program of Living Cities (philanthropic collaborative) started in 2010
- Encourages cross-sector collaboration to solve complex issues impacting low income people
- 4 Areas of focus:
  1. Build the civic infrastructure
  2. Focus on transforming systems, not single programs
  3. Bring innovation into the mainstream
  4. Stimulate the private market to supplement traditional funding

## Funding

- Living cities commits around \$15m for each site through a mix of grants and debt (below market rate and market rate)
  - 3 year philanthropic grants ~ \$3 million per site
  - 10 year loan at 3.5% from Living Cities' Catalyst Fund (below market rate) ~ \$3-4 million per site
  - 5-8 year loan of commercial debt (market rate) ~ \$9-14 million per site

# Integration Initiative: Success Stories

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**Newark Integration Initiative Example:** Create a “wellness economy” that improves the supply and demand for fresh food, healthcare, and safe affordable housing.

- Secured up to \$15M in blended capital
  - \$2.75m in grants
  - \$3m in below market rate loans
  - \$9m in commercial debt
- Loans will be used for pre-development, rehab and construction of 100 properties; creation of full services supermarket
- Grants will support school-based healthcare facilities, cleaning/greening vacant lots, fresh foods and fitness programs



# Housing Trust Funds

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an innovative tool to fund affordable housing



# Why a Housing Trust Fund?

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## Quality Affordable Housing:

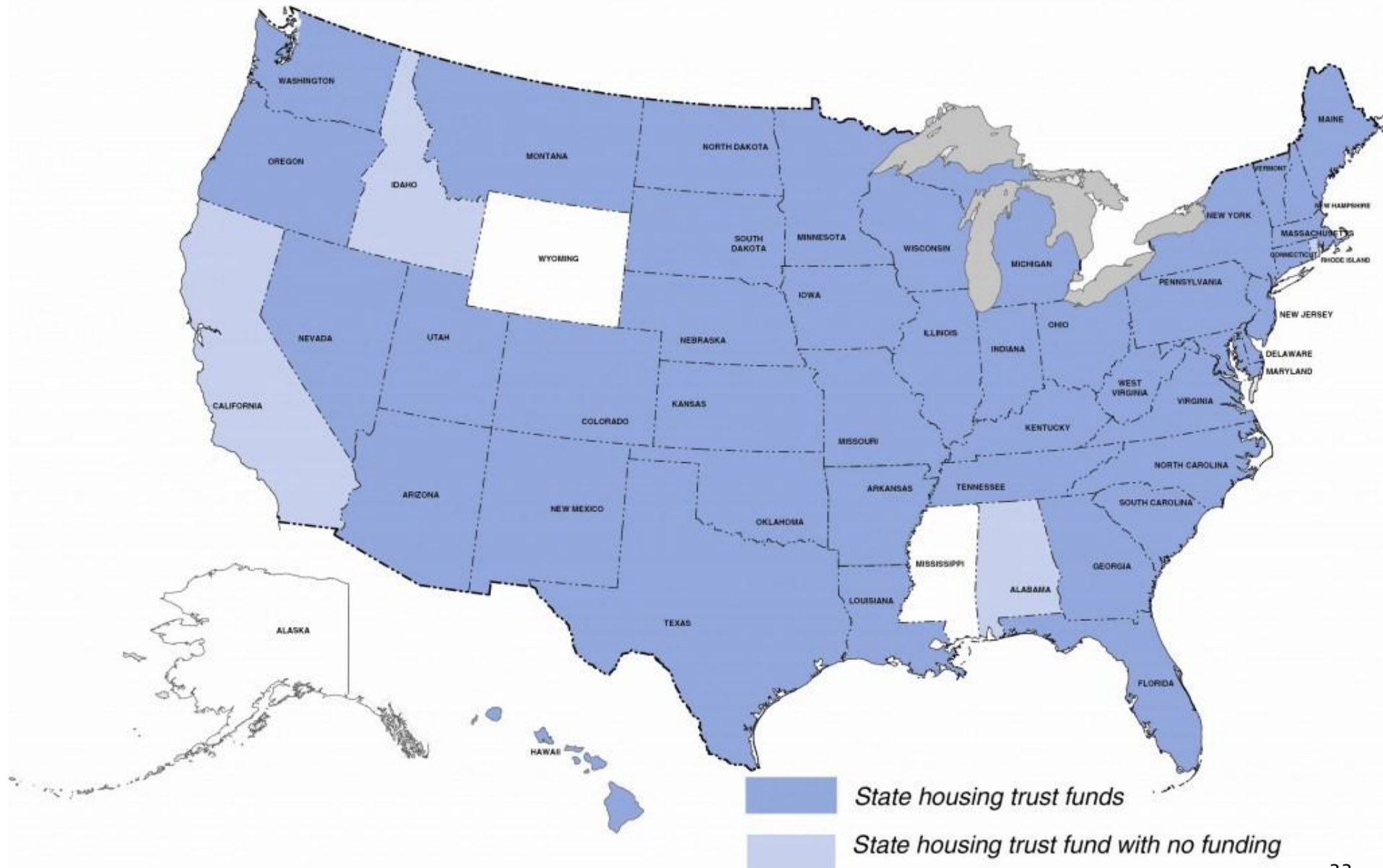
- ▶ Promotes economic development
- ▶ Builds and stabilizes vibrant neighborhoods
- ▶ Stabilizes children to allow educational advancement

Private philanthropy can't sustain the affordable housing market requires

## HTFs

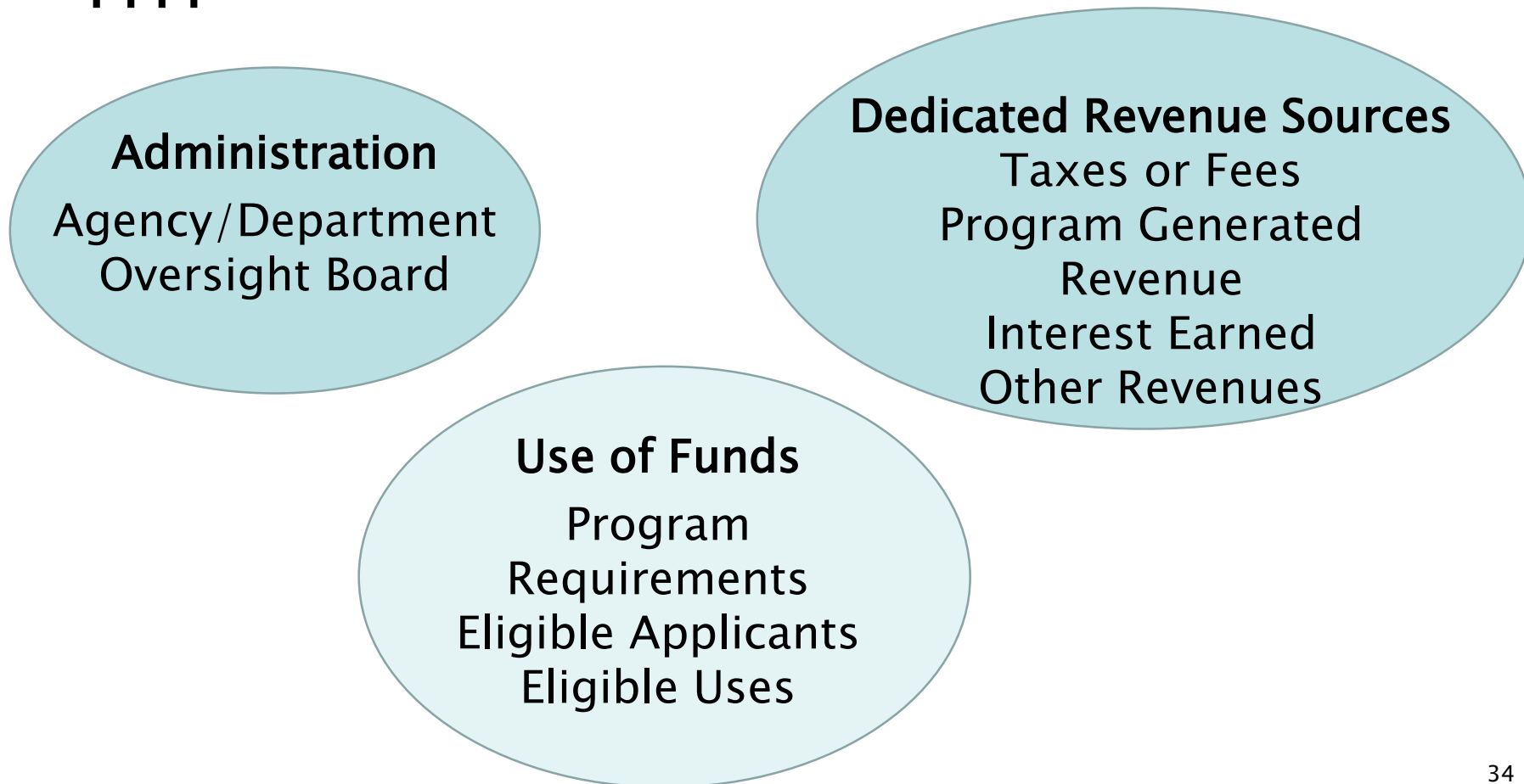
- ▶ Provide flexibility to meet local goals
- ▶ Address affordability needs at 15-30% AMI
- ▶ Allows for leveraging of other funding

# 47 States and the District of Columbia Have Created a State Housing Trust Fund



# How Housing Trust Funds Work

- Legislation or Ordinance → Establishes HTF



# Administration

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- Administered by staff of a public agency/department or a local non-profit
- Oversight Board
  - Best funds have high level community boards with broad representation that require great transparency and accountability



# Implementation

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- **Eligible applicants:** nonprofit and for profit developers, housing authorities, and governments *flexible* among funds
- **Possible Eligible Uses:** rental assistance, foreclosure assistance, acquisition, new construction, rehabilitation, predevelopment costs, housing related services, operating costs, capacity building, etc.

# Possible New Revenue Sources

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- ▶ Document recording fees
- ▶ Real estate excise tax
- ▶ Sale of public land
- ▶ Condominium conversion fees
- ▶ Hotel/motel taxes
- ▶ Filing fees property sales disclosure forms
- ▶ Building permit fees
- ▶ Real estate transfer fees
- ▶ Impact fee on new commercial construction
- ▶ Tax increment revenues
- ▶ Land bank revenues
- ▶ Demolition fees
- ▶ Parking garage proceeds
- ▶ Restaurant tax
- ▶ Inclusionary zoning in-lieu fees
- ▶ Property tax
- ▶ Sales tax
- ▶ Casino revenues

# Examples

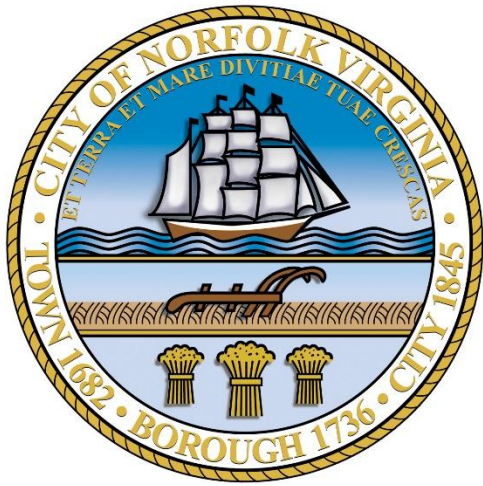
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## **Columbus (2001)**

- Committed \$14.5M, assisting 1,550 households
- Joint fund of Columbus and Franklin County
- Uses hotel motel tax (city) and real estate transfer tax (county)
- Set up with private non profit as administrator

## **Chicago (1989)**

- 100% rent subsidy HTF (largest in the nation)
- Highly targeted (max 1/3 of bld can be rent subsidized)
- Requires inspections



# Questions?

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